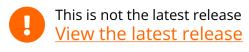


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Wage Price Index, Australia

The WPI measures changes in the price of labour, unaffected by compositional shifts in the labour force, hours worked or employee characteristics

Reference period September 2020

Released 18/11/2020

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The seasonally adjusted WPI:

- Rose 0.1% in September quarter 2020.
- Rose 1.4% over the year to September guarter 2020.
- Private sector rose 0.1% and the public sector rose 0.2% in the September quarter 2020.

	Jun Qtr 2020 to Sep Qtr 2020 % change	Sep Qtr 2019 to Sep Qtr 2020 % change
Wage Price Index (WPI)		
Total hourly rates of pay excludin	g bonuses	
Trend(a)		
Australia	na	na
Sector		
Private	na	na
Public	na	na
Seasonally Adjusted(b)		
Australia	0.1	1.4
Sector		
Private	0.1	1.2
Public	0.2	1.8
Original		
Australia	0.4	1.4
Sector		
Private	0.5	1.3
Public	0.4	1.8

a. See Explanatory Notes paragraphs 39-40, 42 on the Methodology page.

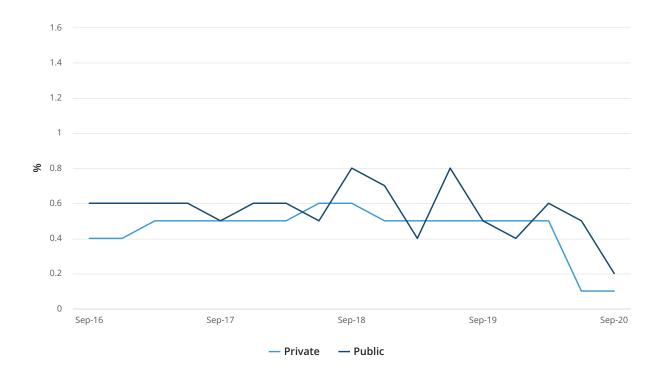
Sector

Through the year seasonally adjusted:

- Private sector rose 1.2% over the twelve months to the September quarter 2020.
- Public sector rose 1.8% over the twelve months to the September quarter 2020.

b. See Explanatory Notes paragraphs 32-38, 42 on the Methodology page.

Quarterly changes, seasonally adjusted, total hourly rates of pay excluding bonuses

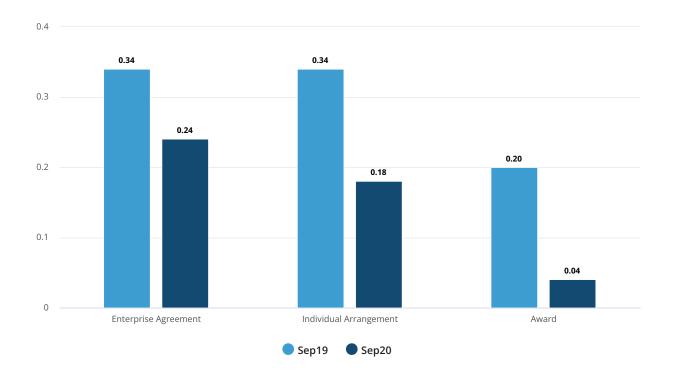


Changes due to COVID-19

The Wage Price Index trend series have been suspended from June quarter 2020 until more certainty emerges in the underlying trend in labour market activity over the COVID-19 period. For more information, see Measuring the impacts of Coronavirus (COVID-19) section.

Main drivers of wage growth

Contributions to wage price index, by method of setting pay



September quarter wage growth is mainly influenced by regularly scheduled enterprise agreement increases, end of financial year salary reviews for individual arrangements, and modern awards receiving increases as a result of the Fair Work Commission Annual Wage Review (1.75% in the 2019-20 decision).

Fewer end of financial year reviews, delays in enterprise agreement increases and the phased implementation schedule of award increases influenced the rate of wage growth recorded in September quarter 2020.

Main industry contributing to wage growth was:

• Health care and social assistance.

Offsetting falls occurred in:

• Administrative and support services.

Main state and territory contributors to wage growth were:

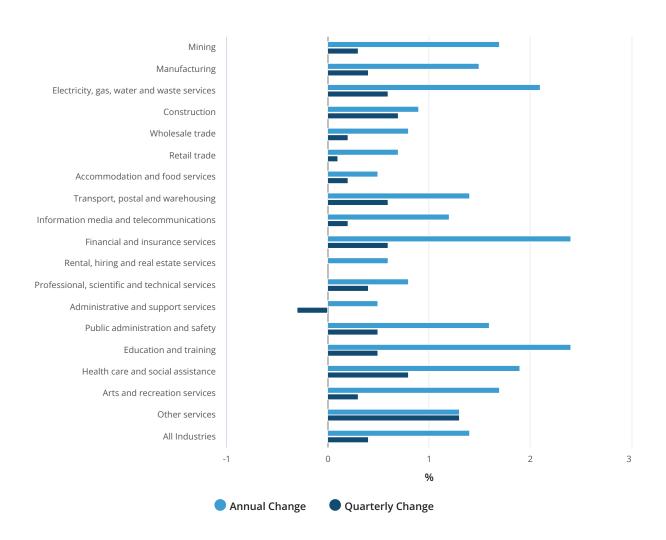
- New South Wales based on moderate private sector growth.
- Queensland based on moderate private sector and public sector growth.

Wage growth by industry

Original estimates:

- Other services recorded the highest quarterly rise of 1.3%, following a fall in June quarter 2020. Mostly based on the return to previous wage levels, September quarter also recorded a moderate increase in the rate of wage growth when compared back to March quarter 2020.
- Administrative and support services recorded a quarterly fall of -0.3%.
- Financial and insurance services and Education and training recorded the highest through the year rise of 2.4%, with the Private sector being the main contributor to growth in both industries.
- Accommodation and food services and Administrative and support services recorded the lowest through the year rise of 0.5%. Modern Award increases, a regular contributor to September quarter growth for this industry and main driver of the through the year growth, are now scheduled for February 2021.

Annual and quarterly changes, original, total hourly rates of pay excluding bonuses - industry



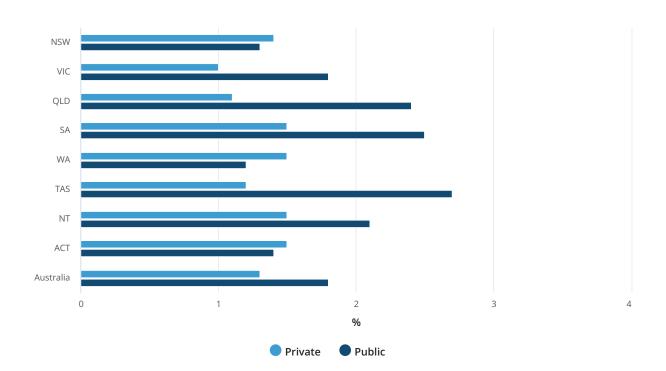
Wage growth by states and territories

Original estimates ():

• New South Wales and Queensland recorded the highest quarterly rise of 0.6%. Historically this is the lowest September quarterly rise recorded for both states since the commencement of the series.

- Victoria recorded the lowest quarterly rise of 0.2%. The majority of industries across the state recorded slower wage growth when compared to September quarter 2019.
- South Australia recorded the highest through the year rise of 1.8% for the second consecutive quarter.
- Victoria recorded the lowest through the year rise of 1.2%, with social distancing measures and business restrictions limiting wage growth for the state.

Annual change, original, total hourly rates of pay excluding bonuses - states and territories



Measuring the impact of Coronavirus (COVID-19)

The ABS published an article on 23 July 2020 (<u>Measuring the Wage Price Index during the COVID-19 pandemic (https://abs.gov.au/articles/methods-changes-during-covid-19-period)</u>) explaining the impact of COVID-19 on the measurement of the WPI in June quarter 2020.

Wage subsidies (JobKeeper) and payroll tax changes fall outside of the collection scope of the Wage Price Index.

Data downloads - time series spreadsheets

I-Note

The wage price indexes in Tables 1, 2b, 3b, 4b, 5b, 7b, 8b and 9b are updated and released every quarter. The corresponding financial year wage price indexes in Tables 2a, 3a, 4a, 5a, 7a, 8a and 9a are updated and released each June quarter for the preceding financial year. There are no financial year indexes created for Table 1.

Table 1. Total hourly rates of pay excluding bonuses: sector, original, seasonally adjusted and trend

```
<u>Download XLS</u> [118.5 KB]
```

Table 2a. Total hourly rates of pay excluding bonuses: all sectors by state, original (financial year index numbers for year ended June quarter)

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<u> → Download XLS</u>
```

Table 2b. Total hourly rates of pay excluding bonuses: all sectors by state, original (quarterly index numbers)

```
<u>→ Download XLS</u>
[126.5 KB]
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Table 3a. Total hourly rates of pay excluding bonuses: private sector by state, original (financial year index numbers for year ended June quarter)

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<u> → Download XLS</u>

[86.5 KB]
```

Table 3b. Total hourly rates of pay excluding bonuses: private sector by state, original (quarterly index numbers)

```
<u>→ Download XLS</u> [126 KB]
```

Table 4a. Total hourly rates of pay excluding bonuses: public sector by state, original (financial year index numbers for year ended June quarter)

```
<u>Download XLS</u> [86.5 KB]
```

Table 4b. Total hourly rates of pay excluding bonuses: public sector by state, original (quarterly index numbers)

```
<u>Download XLS</u> [127 KB]
```

Table 5a. Total hourly rates of pay excluding bonuses: sector by industry, original (financial year index numbers for year ended June quarter)

▶ Download XLS

[213.5 KB]

Table 5b. Total hourly rates of pay excluding bonuses: sector by industry, original (quarterly index numbers)

▶ Download XLS

[405 KB]

Table 7a. Hourly rates of pay including bonuses: sector, original (financial year index numbers for year ended June quarter)

▶ Download XLS

[76.5 KB]

Table 7b. Hourly rates of pay including bonuses: sector, original (quarterly index numbers)

↓ Download XLS

[104 KB]

Table 8a. Ordinary hourly rates of pay excluding bonuses: all sectors by state, original (financial year index numbers for year ended June quarter)

[87 KB]

Table 8b. Ordinary hourly rates of pay excluding bonuses: all sectors by state, original (quarterly index numbers)

▶ Download XLS

[127.5 KB]

Table 9a. Ordinary hourly rates of pay excluding bonuses: sector by industry, original (financial year index numbers for year ended June quarter)

▶ Download XLS

[213.5 KB]

Table 9b. Ordinary hourly rates of pay excluding bonuses: sector by industry, original (quarterly index numbers)

↓ Download XLS

[406.5 KB]

All WPI series: original (quarterly index numbers)

<u> → Download XLS</u>

[332 KB]

All WPI Series: original (financial year index numbers for year ended June quarter)

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[271 KB]

All time series spreadsheets

Data downloads - data cubes

63450. Distribution of expenditure on wages, wage price index, Australia

<u> → Download XLS</u>

[780.5 KB]

Use of price indexes in contracts

Price indexes published by the Australian Bureau of Statistics (ABS) provide summary measures of the movements in various categories of prices over time. They are published primarily for use in Government economic analysis. Price indexes are also often used in contracts by businesses and government to adjust payments and/or charges to take account of changes in categories of prices (Indexation Clauses).

<u>Use of Price Indexes in Contracts (https://www.abs.gov.au/websitedbs/D3310114.nsf</u>/home/Inflation+and+Price+Indexes+-+Use+of+Price+Indexes+in+Contracts)_sets out a range of issues that should be taken into account by parties considering the inclusion of an Indexation Clause within a contract utilising an ABS published price index.

Previous catalogue number

This release previously used catalogue number 6345.0.

Methodology

Wage Price Index, Australia methodology, September 2020